

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 03-21 Revised

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RE: Calendar Year 2004 Child
Support Performance
Measures

To: Child Support Agency Directors

From: Bettie A. Rodgers /s/
Division Administrator

**The only revision is a change to the text on page 7, the final section of this memo:
Agencies with ACC Baseline Rate below 74.5% on September 3, 2003.**

The Child Support contract between the Department and local agencies specifies that certain funds will be awarded on a performance basis. This memo describes the performance standards which apply to Child Support funding for the Calendar Year (CY) 2004 (January 1, 2004 – December 31, 2004) for counties.

BACKGROUND

The federal government allocates child support funding to states based on performance measures. The amount of money allocated to each state is based upon each state's collections and performance on five performance measures including court order establishment, paternity establishment, percentage of current support collected, arrearage cases with a collection and cost effectiveness. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 prohibits the use of performance-based funds for programs or services other than child support. Therefore, all child support incentive funds must be used by local agencies to pay the costs of child support program administration.

To ensure that Wisconsin earns the highest possible federal award, the Division of Workforce Solutions (DWS) and child support agencies use a performance-based approach to provide state funding to child support agencies.

The incentive distribution process is defined in Administrative Rule DWD 44, Child Support Incentive Payments. Under the Rule, standards may be revised or other measures may be used to help Wisconsin meet statewide performance goals.

This memo outlines the incentive payment process and the performance requirements for state-county contract year 2004. DWS determined the performance measures, targets, and incremental improvement criteria for calendar year 2004 in consultation with a committee of county representatives from the child support Policy Advisory Committee (PAC).

PERFORMANCE-BASED ALLOCATION METHODOLOGY

Projected Incentive Funding – Under Wis. Stat. S. 49.24, the amount of incentive funds from federal incentives and state funds is \$12.34 million. For purposes of estimating the funds available for the performance-based allocation in 2004, the Department of Workforce Development is estimating that \$12.34 million will be available to local child support agencies (CSAs) under the performance-based allocation for CY2004. When matched with 66 percent federal funds for allowable child support activities, the \$12.34 million generates \$23.95 million in federal funds for a total of \$36.29 million for the local CSAs. In the event that county child support agencies qualify for more than \$12.34 based on Wis. Stat. S. 49.24, the additional amount will be allocated in consultation with the PAC contract committee. In the event the amount available under Wis. Stat. S. 49.24 is less than \$12.34 million, reductions will be made to the incentive payment amounts.

Agency Allocations– The amount of the \$12.34 million allocated for each agency can be found in Attachment 1. The methodology used to determine individual child support agency allocations for calendar year 2004 is consistent with 2003 methodology based on a model developed by the Department with input from the child support agencies through the Child Support Policy Advisory Committee.

Based on the estimated annual amount of \$12.34 million, Attachment 1, Column A shows each agency's total projected performance-based allocation and Column B shows the associated federal match amount. Those projected amounts are subject to the performance standards described in this memo.

Initial Contract Load Amount – A certain percentage of each agency's allocation, as shown in Column A, will be loaded the first day of the 2004 contract period for immediate contract authority. The amount loaded will be based on the agency's performance level as of September 30, 2003, for support order establishment rate, paternity establishment rate, current support collection rate, and the rate of arrearage cases with a collection. Agencies that have performance levels equal to or above the 2004 target rates as of September 30, 2003, will have an initial contract load amount of 100% for the measure. Agencies that have performance levels below the 2004 target rates as of September 30, 2003 will have an initial contract load rate of 90% for the measure.

Earned Amount - The agency's performance as of September 30, 2004, will be used to determine the actual earned amount. Pursuant to the conditions for performance earnings as set forth in this memo, each agency's relative earned amount shall be compared to the statewide earned amount and applied proportionately to the funds actually available under s. 49.24 Wis. Stats.

Incentives may be earned in two ways. An agency may earn 100% of the available funding by meeting or exceeding the statewide target, or an agency may earn 100% of the available funding based on incremental improvement toward the statewide target.

In the event that some agencies do not earn 100 percent of their performance-based allocation, any unearned funds will be distributed to all agencies based on each agency's proportionate earnings compared to the statewide earnings.

Advances - Agencies will receive an advance payment in each of the first three months of the contract period, each equal to one-twelfth of the performance based allocation and the administrative estimate for their agencies. Advances for all CSAs will appear on line code 7501 (CS Performance-Based Advance) and line code 7500 (CS Administrative Advances). See Columns D and E on Attachment A. Advance payments are taken back during the first three months immediately following the ending date of the contract and are taken back in the same increments as they were issued

Reimbursements- The 13 agencies which are part of the county human service department will have reimbursements similar to systems agreed upon by the human service departments. The remaining 58 agencies will have no change in method of reimbursement from CY2003.

PERFORMANCE MEASURES FOR 2004

Court Order Rate – Performance Measure 1 on the OCSE-157 Report

The Court Order Rate (CO Rate) is the ratio of the number of IV-D cases with court orders to the total number of IV-D cases at a point in time. Court orders include all types of legally enforceable court orders, including current support orders, arrearage orders, medical support orders, work search orders and orders that are held open by the court. (See Child Support Bulletin 01-31.) Wisconsin's CO Rate is consistent with the federal court order performance measure.

Twenty-five percent (25%) of the total funds under the performance-based allocation will be available for the court order establishment measure.

Statewide Target and Baseline

The statewide target for court order establishment is 80%. Agencies that have a CO Rate of 80% as of September 30, 2004 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's CO Rate as of September 30, 2003.

Agencies with a CO Baseline Rate of 78.5% or Above on September 30, 2003

Agencies that have a CO Baseline Rate at or above 78.5% can earn 100% if they have a performance level at or above the statewide target of 80% on September 30, 2004. If an agency has a CO Rate below 80% on September 30, 2004, the agency will earn between 80% and 99.3% under this measure. See Court Order Chart A.

Agencies with a CO Baseline Rate of below 78.5% on September 30, 2003

Agencies with a CO Baseline Rate below 78.5% can earn 100% based on incremental improvement of 1.5%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's CO Rate on September 30, 2004 with the agency's CO Rate on September 30, 2003. See Court Order Chart B.

- Agencies that remain at the same performance level during the year will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 1.4% during the year will earn between 90.7% and 99.3% under this measure.
- Agencies that show declining performance of -0.10% to -1.5% during the year will earn between 89.3% and 80% under this measure.

Paternal Establishment Rate – Performance Measure 2 on the OCSE-157 Report

The Paternal Establishment Rate (PE Rate) is the ratio of the number of paternal-related children present in the IV-D caseload as of September 30, 2003 to the total number of paternal-related children present in the IV-D caseload anytime during the federal fiscal year that have paternal established.

The definition of paternal-related children includes all children under the age of 19 for whom paternal has ever been an issue. The definition of paternal establishments include paternal acknowledgements, legitimations, or judicial actions to establish paternal, whether or not the agency handled the paternal action. Each paternal-related child is counted only once, even if the child is present in multiple IV-D cases.

Paternal-related children whose IV-D cases close or who turn age 19 during the year are counted. For this reason, it is likely that high-performing agencies will achieve more than 100% PE Rate. Wisconsin's PE Rate is consistent with the federal paternal establishment performance measure.

Forty percent (40%) of the total funds under the performance-based allocation will be available for the paternal establishment measure.

Statewide Target and Baseline

The statewide target for paternal establishment is 90%. Agencies that have a PE Rate of 90% as of September 30, 2004 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's PE Rate as of September 30, 2003.

Agencies with a PE Baseline Rate of 89% or Above on September 30, 2003

Agencies that have a PE Baseline Rate at or above 89% can earn 100% if they have a performance level at or above the statewide target of 90% on September 30, 2004. If an agency has a PE Rate below 90% on September 30, 2004, the agency will earn between 80% and 99% under this measure. See Paternal Establishment Chart A.

Agencies with a PE Baseline Rate of Below 89% on September 30, 2003

Agencies with a PE Baseline Rate of below 89% can earn 100% based on incremental improvement of 1%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's PE Rate on September 30, 2004 with the agency's PE Rate on September 30, 2003. See Paternal Establishment Chart B.

- Agencies that remain at the same performance level during the year will earn 90% under this measure.
- Agencies that show improved performance of 0.10% to 0.9% during the year will earn between 91% and 99% under this measure.
- Agencies that show declining performance of -0.10% to - 1% during the year will earn between 89% and 80% under this measure.

Current Support Collection Rate – Performance Measure 3 on the OCSE-157 Report

The Current Support Collection Rate (CSUP Rate) is the ratio of the total amount of current child support due in the IV-D caseload during the federal fiscal year to the total amount of current support disbursed in the IV-D caseload during the federal fiscal year. The current support due and current support disbursed are cumulative for each month of the federal fiscal year. Wisconsin's Current Support Collection Rate is consistent with the federal current support collection performance measure.

Twenty-five percent (25%) of the total funds under the performance-based allocation will be available for the current support collection rate measure.

Statewide Target and Baseline

The statewide target for the CSUP Rate is 75%. Agencies that have a CSUP Rate of 75% as of September 30, 2004 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's CSUP Rate as of September 30, 2003.

Agencies with a CSUP Baseline Rate of 74.75% or Above on September 30, 2003

Agencies that have a CSUP Baseline Rate at or above 74.75% or above can earn 100% if they have a performance level at or above the statewide target of 75% on September 30, 2004. If an agency has a CSUP Rate below 74.75% on September 30, 2004, the agency will earn between 80% and 98% under this measure. See Current Support Collection Establishment Chart A.

Agencies with a CSUP Baseline Rate of below 74.75% on September 30, 2003

Agencies with a CSUP Baseline Rate below 74.75% can earn 100% based on incremental improvement of .25%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's CSUP Rate on September 30, 2004 with the agency's CSUP Rate on September 30, 2003. See Current Support Collection Chart B.

- Agencies that remain at the same performance level during the year will earn 90% under this measure.
- Agencies that show improved performance of 0.05% to 0.20% during the year will earn between 92% and 98% under this measure.
- Agencies that show declining performance of -0.05% to -0.25% during the year will earn between 88% and 80% under this measure.

Hold Harmless for CSUP Measure

In the event that the county unemployment claims filed for the federal fiscal year 2004 increase by 10% or more, as compared to the county unemployment claims filed for federal fiscal year 2003, the county shall receive 100% of the allocation under this measure.

Arrearage Cases Collection Rate – Performance Measure 4 on the OCSE-157 Report

The Arrearage Case Collection Rate (ACC Rate) is the ratio of the number of IV-D cases present in the caseload during the federal fiscal year with an arrearage balance to the number

of arrearage cases with a qualifying payment disbursed toward arrearages at any time during the federal fiscal year. Exception: A tax intercept collection that is applied toward state arrearages is not considered a qualifying arrearage disbursement, when there are also arrearages owed to the family.

The definition of an arrearage case includes IV-D cases with an arrearage, interest or past support balance greater than zero; cases with only current support debts, spousal, lying-in, and/or other cost debts are not included. Each arrearage case is counted only one time during the federal fiscal year, and each arrearage case with a qualifying arrearage disbursement is counted only once, no matter how many qualifying arrearage disbursements occur during the year. Wisconsin's Arrearage Case Collection Rate is consistent with the federal arrearage collection performance measure.

Ten percent (10%) of the total funds under the performance-based allocation will be available for the arrearage case collection measure.

Statewide Target and Baseline

The statewide target for Arrearage Case Collection Rate is 75%. Agencies that have a ACC Rate of 75% as of September 30, 2004 will earn 100% of the available allocation under this measure. The baseline for this measure is the agency's ACC Rate as of September 30, 2003.

Agencies with an ACC Baseline Rate of 74.5% or Above on September 30, 2003

Agencies that have an ACC Baseline Rate at or above 74.5% can earn 100% if they have a performance level at or above the statewide target of 75% on September 30, 2004. If an agency has an ACC Rate below 75% on September 30, 2004, the agency will earn between 80% and 99% under this measure. See Arrears Case Collection Chart A.

Agencies with an ACC Baseline Rate below 74.5% on September 30, 2003

Agencies with an ACC Baseline Rate below 74.5% can earn 100% based on incremental improvement of .5%. The agency will earn between 80% and 100% under this measure based on performance changes during the period. The performance changes are calculated by comparing the agency's ACC Rate on September 30, 2004 with the agency's ACC Rate on September 30, 2003. See Arrears Case Collection Chart B.

- Agencies that remain at the same performance level during the year will earn 90% under this measure.
- Agencies that show improved performance of 0.05% to 0.45% during the year will earn between 91% and 99% under this measure.
- Agencies that show declining performance of -0.05% to -0.50% during the year will earn between 89% and 80% under this measure.